

REPORT - PLANNING COMMISSION MEETING
September 11, 2003

Project Name and Number: **ANNUAL REPORT ON THE GENERAL PLAN AND HOUSING ELEMENT (PLN2004-00025)**

Applicant: City of Fremont

Proposal: To consider an annual report on the status of the General Plan and Implementation of the Housing Element.

Recommended Action: Recommend annual report on the General Plan and Implementation of the Housing Element (this agenda report and Exhibit A) to Council.

Location: Citywide

Environmental Review: This project is statutorily exempt under CEQA Guidelines Section 15262, Feasibility and Planning Studies. Environmental analysis will be prepared for any subsequent proposals for General Plan Amendments or Zoning Text Amendments.

Public Hearing Notice: Public hearing notification is applicable. A total of 43 notices were mailed to organizations and individuals interested in housing issues on August 29, 2003. A Public Hearing Notice was delivered to The Argus on August 25, 2003 to be published by August 28, 2003.

Executive Summary: State planning law requires cities to provide a status report on the General Plan, on or before October 1 of each year. The statute specifically requires an update on implementation of the Housing Element.

On February 12, 2002, the City Council adopted a new Housing Element to replace the previously adopted (May 1991) Element. The City received comments from the State Department of Housing and Community Development (HCD) on June 3, 2002, stating that revisions were necessary prior to State certification. Since June of 2002, staff worked to revise the Housing Element to respond to HCD comments. Staff submitted a revised Housing Element to the City Council on May 13, 2003 and the Council adopted the revised Housing Element. On July 17, 2003, HCD informed the City of Fremont that the Housing Element adopted by the City Council on May 13, 2003 was found in compliance with State housing element law. HCD reiterated the need to report on the progress in implementing identified Housing Element programs by October 1, 2003.

This report provides an annual review of the General Plan as well as progress with the very recently adopted and certified Housing Element.

Background: State planning law requires the City to prepare an annual status report on the General Plan. Specifically, Government Code Section 65400 (b) of the Planning, Zoning and Development Law states:

- (1) Provide an annual report to the legislative body, the Office of Planning and Research, and the Department of Housing and Community Development on the status of the plan and progress in its implementation, including the progress in meeting its share of regional housing needs determined pursuant to Section 65584 and local efforts to remove governmental constraints to the maintenance, improvement, and development of housing pursuant to paragraph (3) of subdivision (c) of Section 65583.
- (2) The housing portion of the annual report required to be provided to the Office of Planning and Research and the Department of Housing and Community Development pursuant to this subdivision shall be prepared though the use of forms and definitions adopted by the Department of Housing and Community Development pursuant to the Administrative Procedure Act (Chapter 3.5 (commencing with Section 11340) of, Chapter 4 (commencing with Section 11370) of, and Chapter 5 (commencing with Section 11500), of Part 1 of Division 3 of Title 2). This report

shall be provided to the legislative body, the Office of Planning and Research, and the Department of Housing and Community Development on or before October 1 of each year.

Because the Planning Commission is the advisory body to the City Council on the General Plan, the annual report is provided to the Planning Commission for its consideration and recommendations. This report provides an update on the status of the General Plan and the Housing Element in particular and the progress made in meeting goals and objectives for 2002 and 2003. The City Council will review the report at its September 23, 2003 meeting.

This report is divided into the following sections:

- I A description of progress in meeting regional housing needs for calendar years 2002 and 2003 .
- II A description of the progress in implementing various programs in the Housing Element.
- III A description of the status of the General Plan activities during the calendar years 2002 and 2003 .

I. PROGRESS IN MEETING REGIONAL HOUSING NEEDS

The regional council of governments, (for Fremont it is the Association of Bay Area Governments (ABAG)), is charged by the State with the responsibility of determining the number of new housing units needed in a community. The State of California provides population estimates to each regional government and that agency then allocates the estimated housing units needed among its member communities. During 1999-2000 ABAG developed the "Regional Housing Needs Determination" for its member communities and on March 15, 2001, the ABAG Board of Directors certified the final numbers. After determining the number of additional households expected by the end of the planning period, ABAG further quantified future households by income level. The goal of this analysis is to distribute lower income households equitably throughout a region, thereby avoiding undue concentrations of very low and low income households in one jurisdiction. The estimated number of housing units needed in Fremont, as determined and certified by ABAG, is set forth in Table 1 below and reflects the planning period from January 1, 1999 to June 30, 2006.

TABLE 1
FIVE YEAR HOUSING NEED BY INCOME CATEGORY (1999-2006)

Income Category	Five Year Need (Housing Units)
Very Low Income	1,079 households (16.0%)
Low Income	636 households (9.5%)
Moderate Income	1,814 households (27.0%)
Above Moderate Income	3,179 households (47.5%)
TOTAL	6,708 households (100%)

Source: 2001-2006 Housing Element based on Association of Bay Area Governments (ABAG) figures.

The ABAG Regional Housing Needs Determination was certified in 2001. Since these numbers were certified, units have been approved, and added to the housing stock. Thus, it is important to adjust the totals to reflect that units that have been added to the housing stock between January 1999 (the beginning of the planning period for this Housing Element) and the present. Table 2 includes information reflecting units added to the housing stock since 1999 and includes adjusted totals accordingly.

TABLE 2
REVISED REGIONAL HOUSING NEED DETERMINATION 2002-2006

HOUSEHOLD INCOME LEVEL	REGIONAL HOUSING NEED DETERMINATION (1999-2006)	UNITS ADDED TO HOUSING STOCK, 1999-2002	AFFORDABLE UNITS APPROVED / UNDER CONSTRUCTION 01/1/2002-8/28/2003	REVISED REGIONAL HOUSING NEED DETERMINATION (2002- 2006)
Very Low	1,079 Units	138 Units	168 Units	773 Units
Low	636 Units	34 Units	52 Units	550 Units
Moderate	1,814 Units	13 Units	37 Units	1,764 Units
Above Moderate	3,179 Units	1,516 Units	259 Units	1,404 Units
Total	6,708 Units	1,701 Units	516 Units	4,491Units

Source: 2001-2006 Housing Element and City of Fremont Building Permit records January 1, 2002 to August 28, 2003.

In terms of very low income units, 168 units have been approved or are under construction during the period since January 1, 2002. These include 50 units at Fremont Oak Gardens, 18 units at Bridgeway East, 4 units at Fremont Vista, and 96 units in the Maple Street Apartments.

Low income units that were approved or are under construction total 52 for the period between 1999 and the present. They include Fremont Assisted Living (16 units), and Maple Street (36 units).

An increased number of housing units is also anticipated in the moderate-income category. A total of 37 units were approved or are under construction during the time period since January 1, 2002. Pacific Union (6 units), Central Avenue Townhouses (2 units), Warm Springs (19 units), Mission Villas (7 units), and Carol Commons (3 units), were the moderate income housing development sources.

There were also 259 market rate (above moderate) units approved or under construction during this time frame.

In all, a total of 2,217 units were approved or are under construction between 1999 through August of 2003 and 516 were approved or under construction since January 1, 2002. The 47 Housing Element implementation programs described below and in the attached Exhibit A will assist in continuing the production of housing at all income levels in the City of Fremont.

II. PROGRESS IN IMPLEMENTATION OF THE HOUSING ELEMENT (ADOPTED MAY 2003, CERTIFIED JULY, 2003)

The Housing Element, in Chapter 8, identified a Housing Program Strategy with 5 goals, 12 policies and 47 programs. The attached Exhibit A (Status of Housing Element Implementation Programs) lists in detail the various Goals, Policies and Programs, with their current status. A summary of important achievements under each of the goal areas is provided below.

Housing Goal 1: Conservation and Enhancement of Existing Residential Neighborhoods

Housing Goal 1 is the Conservation and Enhancement of Existing Residential Neighborhoods, with three specific policies that address that goal. Housing Policy 1A states the following: Maintain Existing Programs and Periodically Review and Modify Those Programs Assisting Very Low and Low Income Homeowners And Rental Property Owners in the Repairing of the Housing Units. Three programs, implemented by the Housing Division, were developed to implement this goal and policies. The Neighborhood Home Improvement Program assisted 14 homeowners with rehabilitation loans during Fiscal Year (FY) 2002-2003. This included 8 very-low, 4 low and 2 moderate-income households. Another 13 very low-income households received emergency repair grants during FY2002-2003. The Apartment Acquisition /Rehabilitation Program enabled the Glen Haven Apartments, located in Centerville, to be acquired and rehabilitated; this project reduced market

rate rents for 57 tenants to affordable rents with a breakdown of 9 affordable to very-low households and 48 affordable to low income households, with the remainder remaining affordable to 24 moderate-income tenants. A program to address rental housing property management trained 45 property owners and managers in a 12 week training series. The City's Community Preservation Division also implemented an Apartment Preservation Program to provide for rental units that are well maintained, safe and habitable.

Housing Policy 1B addresses capital improvement needs as follows: Identify and Program The Construction of Basic Neighborhood Improvements (Sidewalks, Street Trees, etc.) and Public Facilities (Roads, Lighting, etc.) in Areas Where They Are Lacking Or Substandard. This policy has two components: a Redevelopment Area Program and a Citywide Program. The Redevelopment Program operates within the Centerville, Irvington and Niles commercial and residential neighborhoods and within the Industrial Area. Over the last 3 years, the following projects have been funded: Washington Grade Separation, Central Avenue widening and improvement, Bay Street streetscape, Centerville Train Depot Parking Lot and access, and the Niles sign program. The Citywide Program has funded the following projects: Cape Sealing of Streets (\$753,825 calendar year 2003), Concrete Repair Program (\$70,000 FY02/03), Street Median Maintenance (\$1,364,522 FY 02/03), Slurry Sealing of Streets (\$906,238 calendar year 02), Citywide Bridge Repair Program (\$30,000 budgeted FY 02/03; still underway), Street Overlays (\$4,921,977 calendar year 02), and Citywide Handicap Ramp Program (\$95,000 FY 02/03). All of the investments described above make the area more attractive and conducive to investment, particularly investments which result in improvements to existing residential neighborhoods.

Housing Policy 1C addresses working with the private sector and states: Assist Private Initiatives To Maintain and Improve Neighborhoods and Homes. The City of Fremont continues to maintain staff liaison with the Irvington Business Association, Centerville Business Association, Niles Main Street Association and Niles Merchants' Association. Also, nearly 130 City staff, Council members, on-duty police and firefighters participated in the 20th anniversary of National Night Out in August, 2003. This group visited over 120 community block parties, which represented a 20 percent increase in community block parties from the prior year.

Housing Goal 2: High Quality and Well-Designed New Housing of All Types Throughout the City

This goal addresses the importance of developing and maintaining a high quality, attractive and diverse housing stock throughout the City. Housing Policy 2A states: The City Shall Continue to Apply Building Codes and Design Standards to Ensure That Development is of High Quality and Consistent with the Scale and Character of the Community. Adoption of the 2001 California building, plumbing, mechanical, electrical and fire codes pursuant to State law addresses this goal and policy.

Housing Goal 3: Housing Affordable and Appropriate for a Variety of Fremont Households at all Economic Levels Throughout the City Consistent with the Hill Area Initiative of 2002

There are five separate Housing Policies to address this goal and each will be discussed separately.

Housing Policy 3A states: Adopt Appropriate Land Use Regulations and Other Development Tools to Encourage the Development of Affordable Housing, Consistent with the Hill Area Initiative of 2002. A total of nine programs have been identified to implement this policy. Five of these programs have been completed or partially completed, including:

- 1) Program 9, Amendment of the Land Use Element to eliminate step densities (**completed and adopted** May 13, 2003),
- 2) Program 10, Amendment of the Land Use Element to complement elimination of step densities and encourage higher densities (**completed and adopted** May 13, 2003),
- 3) Program 11, Creation of a new R-3 zoning district to streamline multi-family development as well as encourage increased densities and affordability components (**completed and adopted** July 22, 2003),
- 4) Program 14, Modification of parking requirements to address parking needs by unit size and allow for modification of standards depending on proximity to transit corridors and facilities (**completed and adopted** July 22, 2003), and
- 5) Program 16, Adoption of an Inclusionary Housing Ordinance (**completed and adopted** November 2002 with a 15 percent affordability component).

These five programs provide much of the groundwork necessary for future rezonings and affordable housing production. Adoption of the Inclusionary Housing Ordinance, in particular, will provide for a consistent source of affordable units along with market rate housing production.

The other programs described above are underway with expected completion dates in the Fall of 2003, Winter of 2003/04 or Spring of 2004. Specifically, the adoption of a New Density Bonus Ordinance, Program 12, was heard by the Planning Commission on July 24, 2003. The Planning Commission recommended approval of the ordinance which is currently scheduled for the September 9, 2003 City Council meeting. This is an important accomplishment as the new density bonus ordinance consolidated the provisions and procedures of the City's Density Bonus law in one location and eliminated the references to step densities.

An incentives package for affordable housing developments, Program 13A, is underway and scheduled for completion in November of 2003. Program 13B provides for ongoing assistance to affordable housing developments. Housing staff is currently working with Mercy and Satellite Homes, in partnership with the Housing Consortium for the East Bay, and Bride Housing to facilitate additional affordable housing developments.

Programs 10 and 14 (Rezoning and Land Use Element Changes of Low Density Residential Lands and Modification of Parking Requirements) have follow-up actions to be completed by Fall of 2003. Finally, modification to the City's mixed use requirements is currently scheduled for the Fall of 2003 to Winter of 2003/04 (Program 15).

Housing Policy 3B has eight implementation programs. Housing Policy 3B requires designation of sufficient residentially-zoned land at appropriate densities to provide adequate sites for Fremont's new construction need for the period 2001-2006. Many of these implementation programs are currently underway with completion dates in the fall of 2003, the winter of 2003-2004, and the spring and summer of 2004. Program 17 requires the periodic updating of the existing inventory of vacant and underutilized land. Programs 18-22 concentrate on rezoning existing vacant or underutilized land, whether it is zoned residential, commercial, or industrial. Program 18 plans for implementation of the recently adopted R-3 zoning provisions by providing for the rezoning of certain parcels from RG to R-3. This may include rezonings only or rezoning combined with General Plan Amendments to allow for the maximum benefit from increased densities.

Programs 19, 21 and 22 concentrate on redesignation of commercial and industrial land for residential use. Program 19 emphasizes redesignation along transit corridors for the development of medium to very-high densities within ½ mile of existing or planned transit sites. The evaluation of such sites is anticipated to occur in October/November of 2003, with the first group of General Plan Amendments and rezonings to be presented to the Planning Commission in early 2004. Once accomplishment to note is the Maple Street Apartments. The land was redesignated from commercial to residential and rezoned to higher density for 27-35 dwelling units per acre. The project was approved with a density of 33.5 units per acre and will contain a total of 132 apartments and 9 single family dwellings.

Commercial and industrial redesignation on the east side of I-880 is the focus of Program 21. Site evaluation is currently underway and sites are scheduled to be redesignated and rezoned in the summer of 2004.

Another commercial redesignation, that of older shopping centers, is the primary purpose of Program 22. Several older shopping centers, which may be underperforming economically, will be rezoned for residential or mixed-use development. Some of this work was completed in April of 2002 with the rezoning of several sites in the Central Business District. The redesignation and rezoning of other sites is currently underway with the first group of rezoning anticipated to go to the Planning Commission in late 2003.

Program 20 targets surplus public and semi-public lands for General Plan Amendments and rezoning. Several former school sites have been designated residential and are accounted for in the Housing Element. The identification of several additional sites was accomplished in the Housing Element and other sites are being evaluated. It is anticipated that these additional sites will be reviewed by the Planning Commission in late 2003.

The emphasis of Program 23 is to rezone sites with commercial designations to encourage additional mixed-use residential development that incorporates affordable housing units. The first group of sites likely to be redesignated and

rezoned is the Centerville Unified Site. The 6.58 acre site is in the Redevelopment Area and was the subject of a request for proposals for development, including high-density residential development. Four developers have submitted plans with a range of 72 to 240 dwelling units. Recommendation of a particular developer will go before the Redevelopment Agency Board in the Fall of 2003. Appropriate rezoning will follow with Planning Commission recommendation for City Council action expected in early 2004. The Office of Housing and Redevelopment recently sponsored a bus tour for the City Council and other business leaders to a variety of Bay Area mixed-use developments.

The Annual Housing Report (this report) is the subject of Program 24. The report is scheduled for the Planning Commission's September 11, 2003 meeting and the City Council's September 23, 2003 meeting. The report will then be submitted to the Department of Housing and Community Development (HCD).

Housing Policy 3C encourages the development of a diverse housing stock that provides a range of housing projects at a range of affordability levels which are equally distributed throughout the City. Of the five implementation programs, two will be highlighted. Program 25, which was to eliminate discretionary review in the City's Secondary Dwelling Unit application process, as required by State law, was completed in July of 2003. A follow-up Study Session with the City Council to review other secondary unit regulations is scheduled for the Fall of 2003.

Progress has also been made with Program 27, which encourages the development of larger sized units for households of low and moderate incomes. The City's Redevelopment Agency adopted an "Affordable Housing Investment Strategy" to encourage the development of those units. A total of 45 three-bedroom units were approved as of August 2003 as part of this strategy, as detailed in Exhibit A.

Housing Policy 3D emphasizes the development and utilization of funding resources to maximize affordable housing development. Three of the eight implementation programs will be described here. As part of Program 32, the Redevelopment Agency, using a portion of the 20 percent Affordable Housing Fund, approved and issued an Affordable Housing Bond in May of 2003, generating \$16.5 million to invest in affordable housing. This will provide a valuable source of funds for the City to use in encouraging and investing in affordable housing developments.

The Impact Fee Deferral Program was approved by Council in March, 2003 to assist housing developments that receive Affordable Housing Fund financial support. Affirmed Housing Group is the first developer to utilize the program and they credit the program with a savings of \$150,000.

The purpose of Program 34 is to implement the Redevelopment Agency's Affordable Housing Strategy, which includes the directive that 80 percent of the Agency's financial resources reserved for new housing construction be directed to rental housing developments for extremely low, very low and lower income households. During the 2002-03 time frame, 245 units were approved for development or had existing units provided with affordability restrictions.

Policy 3E emphasizes the importance of preserving the existing affordable housing stock. Three implementation programs are associated with Policy 3E and one will be highlighted.

Implementation Program 35 targets the preservation of affordable housing units at risk of converting to market rate units. The incentives used in this program have allowed the preservation of 153 affordable units that were at risk for market rate conversion.

Housing Goal 4: A Continuing Leadership Role in Regional Efforts to Maintain and Expand the Range of Housing Alternatives in the San Francisco Bay Area

Housing Goal 4 has one policy and two implementing programs. Housing Policy 4A states the following: Workable Local programs to Meet Housing Needs. Implementing Program 38, Support for Non-Profit Affordable Housing Providers, resulted in the sponsorship of the first Faith-Based Summit in June of 2003. This summit had over 75 attendees and Mercy Housing is now in negotiations to acquire church-owned land, largely as a result of this activity.

Housing Goal 5: Ensure That All Persons Have Equal Access to Housing Opportunities

This goal has two policies and eight implementation measures. Housing Policy 5A's purpose is to enforce regulatory measures to protect individual rights. The two implementation measures establish a policy whereby the City will provide rent increase dispute resolution and fair housing counseling services. The City's provider of these services, Fremont Fair Housing Services, investigated 25 housing discrimination cases and provided 18 households with consultation services related to discrimination during the reporting period.

Housing Policy 5B emphasizes the importance of serving households with special needs, particularly seniors, the disabled and homeless. The six implementation measures provide a variety of services to address these needs and are detailed in Exhibit A on pages 7 and 8.

III. STATUS OF GENERAL PLAN ACTIVITIES

This section of the report will focus on General Plan Amendments from January 2002 to the present. There were eleven General Plan Amendments (GPAs) from January 1, 2002 through August 31, 2003. Three of the GPAs were City-initiated General Plan Text Amendments. The Housing Element was adopted by the City Council in February of 2002. The Housing Element was subsequently revised in response to State Department of Housing and Community Development (HCD) comments and the revisions were adopted on May 13, 2003. The Land Use Element was also amended to conform to the Housing Element, specifically to eliminate step densities. These changes were also adopted by Council on May 13, 2003. An amendment to the Transportation Element of the General Plan to include provisions of a new Bicycle and Pedestrian Plan was adopted by Council on October 22, 2002.

There were several General Plan Amendments related to residential development during this period. A GPA for Mission Villas (71 units) was approved by Council on May 13, 2003. A GPA for Belle Cere (13 units) was approved by City Council on October 22, 2002. A GPA for Carol Commons (20 units) was approved by the City Council on May 13, 2003. And finally, a GPA for Maple Street (132 units) was approved by the City Council on July 1, 2003.

There were four other General Plan Amendments approving during this time period. A General Plan Amendment changing the land use designation from residential to commercial office for a certain property was approved to allow for the legalization of an existing nonprofit housing counseling center for women recovering from drug and alcohol addiction. The action also included an amendment to the Centerville Specific Plan and was approved by the City Council on February 12, 2002. A General Plan Amendment to identify a location for a new Fire Station was approved by the City Council on May 9, 2002. The City also initiated a General Plan Amendment to bring an existing park into conformance with the General Plan and Zoning. This GPA for the Mission San Jose Community Park was approved by the City Council on July 9, 2002. The Weibel General Plan Amendment was another example of the redesignation of an existing park into conformance with the General Plan. This was approved by Council on February 12, 2002.

The City of Fremont is anticipating an update of the General Plan in the future, when funding is available. To help fund future General Plan updates, the City Council adopted a Community Planning Fee on February 11, 2003.

Enclosures: HCD Letter of Certification, dated July 17, 2003 (Informational)
Exhibit A lists the Housing Element's goals, objectives and implementing measures and a commentary on progress towards achieving them during calendar years 2001 through 2003.

Exhibits: Exhibit A lists the Housing Element's goals, objectives and implementing measures and a commentary on progress towards achieving them during calendar years 2001 through 2003.

Recommended Actions:

1. Hold public hearing.
2. Recommend the City Council find the Annual Report is statutorily exempt under CEQA Guidelines, Section 15262, Feasibility and Planning Studies.

3. Recommend the City Council find that the Annual Report of the General Plan and Housing Element accurately depicts the current status of the City of Fremont with respect to the General Plan and Housing Element.
4. Recommend the City Council forward the Annual Report of the General Plan and Housing Element to the California Department of Housing and Community Development, as required by Government Code Section 65400 (b).